

## Message Text

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PAGE 01 BOGOTA 09552 202226Z

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ACTION TRSE-00

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 AGR-05 AGRE-00 ITC-01

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P 202119Z SEP 76

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 7429

LIMITED OFFICIAL USE BOGOTA 9552

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: BALANCE OF PAYMENTS AND DEBT PROSPECTS

REF: STATE 223505

1. BELOW ARE ESTIMATES FOR THE COLOMBIAN BALANCE OF PAYMENTS. THE 1974 FIGURES ARE OFFICIAL. THE 1975 FIGURES ARE PRELIMINARY AND REST ARE EMBASSY ESTIMATES. THE GOVERNMENT DOES NOT HAVE ESTIMATES FOR MOST OF THE ITEMS FOR 1976 OR 1977 BECAUSE IN COLOMBIA THE EXCHANGE MARKET BALANCE IS USED INSTEAD OF BALANCE OF PAYMENTS FIGURES. BALANCE OF PAYMENTS FIGURES BECOME AVAILABLE ONLY AFTER ABOUT A YEAR.

2. THE 1976 CURRENT ACCOUNT AND RESERVE CHANGES ARE PROJECTIONS OF PRESENT TRENDS AND ARE FAIRLY RELIABLE. THE CAPITAL ACCOUNT FIGURES WERE IN PART GOVERNMENT FIGURES AND IN PART EMBASSY GUESSES BASED ON LIKELY DIRECTIONS OF MOVEMENTS. PRIVATE CAPITAL SHOWS AN INCREASE BECAUSE OF A PROBABLE SHARP UPTURN IN PRIVATE DIRECT INVESTMENT AND CONTINUED REPAYMENT OF PRIVATE SHORT-TERM CAPITAL. ALL CAPITAL ACCOUNT FIGURES WILL MOVE INVERSELY WITH THE PRICE OF

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PAGE 02 BOGOTA 09552 202226Z

COFFEE SO THAT THE FIGURES ARE NOT VERY RELIABLE EVEN

IF THEY ARE GOOD GUESSES. THE DEBT (OFFICIAL) FIGURES  
FOR 1977 DO NOT INCLUDE NEW LOANS CONTRACTED BETWEEN  
NOW AND THE END OF 1977.

3. THE 1977 EXPORTS ASSUME COFFEE OF A DOLLAR FIFTY AND  
MINOR EXPORT GROWTH OF 15 PERCENT. IF COFFEE SHOULD  
DROP TO A DOLLAR TWENTY FIVE, THE CURRENT ACCOUNT WOULD  
BE \$200 MILLION LESS. IMPORTS FOR 1977 WERE COMPUTED  
FROM A REGRESSION FROM 1968-75 DATA WITH PETROLEUM IMPORTS  
ADDED TO THE PREDICTION. EIGHT PERCENT GROWTH IN GDP WAS ASSUMED.  
AN 8 PERCENT INCREASE IN THE PRICE OF PETROLEUM WILL INCREASE  
IMPORTS IN 1976 BY \$8 MILLION AND IN 1977 BY \$17 MILLION.  
IT SHOULD BE POINTED OUT, HOWEVER, SINCE PETROLEUM IMPORTS ARE  
JUST BEGINNING, THAT IN 1978 THE IMPACT WOULD BE \$26 MILLION  
MORE AND IN 1979 \$36 MILLION MORE.

4. THE COLOMBIAN DEBT SITUATION LOOKS QUITE FAVORABLE AND  
WILL REMAIN FAVORABLE AS LONG AS COFFEE PRICES ARE ABOVE  
A DOLLAR. SHOULD COFFEE FALL BELOW A DOLLAR, COLOMBIA  
WILL HAVE TO INCREASE BORROWING BUT MAJOR PRIVATE DIRECT  
INVESTMENTS IN NICKEL, COAL, GAS AND PETROLEUM SHOULD  
MEAN THAT COLOMBIA WILL NOT FACE ANY SERIOUS BALANCE OF  
PAYMENTS CONSTRAINT TO RAPID (7 TO 8 PERCENT) RATES  
OF GROWTH.

#### I. CURRENT ACCOUNT (MILLIONS U.S. DOLLARS)

	74	75	27	77
A. EXPORTS	1494	1664	2000	2300
B. IMPORTS	1510	1480	1775	2210
C. SERVICES NET	-198	-196	\$150	\$100
D. NET TRANSFERS	-15	\$18	\$20	\$20

#### II. CAPITAL ACCOUNT

##### E. OFFICIAL CAPITAL

1. TRANSFER	\$33	\$29	\$20	\$20
2. GOVT BONDS	-3	-3	-3	-3
3. LOANS	\$202	\$281	\$134	\$140
F. NET PRIVATE	-214	-113	-85	\$140
CHANGE IN RESERVE	-359	\$118	\$466	\$200

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PAGE 03 BOGOTA 09552 202226Z

#### III. ETERNAL DEBT

A. DISBURSED	2209	2516	2788	2996
EXTERNAL DEBT				
B. UNDISBURSED	710	674	401	193
EXTERNAL DEBT				
C. DEBT SERVICE	279	274	139	314

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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